

VZCZCXRO5017
RR RUEHDBU RUEHPW RUEHSL
DE RUEHBUL #3172/01 2810356
ZNR UUUUU ZZH
R 080356Z OCT 09
FM AMEMBASSY KABUL
TO RUEHC/SECSTATE WASHDC 2004
INFO RUCNAFG/AFGHANISTAN COLLECTIVE

UNCLAS SECTION 01 OF 02 KABUL 003172

DEPARTMENT FOR SRAP, SCA/FO, SCA/A, EUR/RPM
STATE PASS TO AID FOR ASIA/SCAA
USFOR-A FOR POLAD

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [KDEM](#) [PGOV](#) [EAGR](#) [AF](#)
SUBJECT: HELMAND AGRICULTURAL UPDATE

REF: KABUL 2939

¶1. (SBU) Summary: Governor Mangal's Food Zone program, implemented in partnership with the UK Department for International Development, is underway and slated to reach more than 39,000 farmers this year, a 10 percent increase over 2008. Concurrently, the USAID AVIPA PLUS program is progressing on the installation of orchards and vineyards, slated for delivery in the January - March timeframe. These programs will again offer Helmand farmers attractive alternatives to poppy production. Recently, a delegation from the Ministry of Agriculture, Irrigation and Livestock (MAIL) arrived in Helmand to purchase locally-grown wheat as part of a national program to purchase wheat then distribute it to food-insecure communities. The price MAIL is paying for the wheat appears to be significantly higher than the prevailing market price. End Summary.

Wheat Seed Distribution

¶2. (U) The PRT, Governor Mangal, MAIL and the Ministry of Counter Narcotics (MCN) are sponsoring the 2009 Helmand Food Zone (HFZ) program. This is a follow-up to last year's successful HFZ program that contributed to the 30% decrease in poppy production in Helmand. DFID is currently distributing wheat seed and fertilizer to beneficiaries across Helmand and this is slated to reach 39,640 farmers - a 10 percent increase over last year's effort. Farmers who received seed in 2008 are ineligible to receive assistance this year, as they were advised to keep a small amount of seed from last year's harvest to plant this year. When the 2009 HFZ distribution is complete, more than half of Helmand's farmers will have received high quality wheat seed from the USG or UK.

Orchard and Vineyard Program

¶3. (U) The USG's contribution to the HFZ will be the installation of 800 hectares of orchards and 200 hectares of trellised vineyards across Helmand. The USG and MAIL believe that agricultural diversification is critical to protect Helmand's long-term agricultural income stream. Helmand's climate restricts the planting of orchards and vines to a short window of time, generally January, February and March. USAID's Afghanistan Vouchers for Increased Production in Agriculture (AVIPA) PLUS program will be the primary USG-funded program delivering tree saplings and vines, although Mercy Corps and other NGOS will also participate. These agriculture alternatives are very popular with Helmand farmers and welcomed by the local and provincial leadership.

MAIL'S Wheat Purchase

¶4. (U) A MAIL delegation arrived in Helmand on September 13th to purchase wheat as part of a nation-wide wheat-purchase program.

MAIL plans to purchase 4,250 metric tons of food-grade wheat from cooperatives and farmers across Helmand province. Governor Mangal told the PRT that he will ask MAIL to increase Helmand's purchase to 30,000 tons and the additional amount will be stored in MAIL warehouse in Lashkar Gah. This wheat can then be released to food-insecure communities as part of the provincial disaster management plan (PDMP).

A Good Price

15. (SBU) MAIL reported that current market prices in Lashkar Gah for high-grade food wheat fluctuate between 17-20 Afghanis (\$0.34-\$0.40) per kilogram. MAIL used these figures to set a fixed price for their Helmand wheat purchase of 20 Afghanis (\$0.40) per kilogram or \$400 per metric ton. USG Afghan field staff report that the actual market price ranges from \$230 to \$270 per metric ton, and that MAIL's rates represent a significant premium over prevailing market rates. Helmand's MAIL Director reported that other buyers across the country have expressed interest in Helmand wheat and they may be dispatched to Helmand to purchase wheat seed for distribution.

Comment

16. (SBU) The HFZ wheat seed distribution is on schedule, as is USAID's orchard and vineyard installation program. These programs will ensure that, once again, farmers in Helmand are offered an array of alternatives to poppy. USAID, USDA and DFID staff at the PRT are effectively coordinating Helmand's assistance package. However, overall efforts are hindered by Helmand's Provincial MAIL

KABUL 00003172 002 OF 002

office's weak acting director and less than five district-based extension workers. While donors and NGOs can fill MAIL's capacity void in the short-term, the Helmand development community remains deeply concerned about MAIL's capacity to manage agricultural programs of similar scale in the years ahead.

EIKENBERRY